

5/023/086



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
FILLMORE FIELD OFFICE

35 East 500 North
Fillmore, Utah 84631



In Reply Refer to:

3800

(U-010)

UTU-072898-01

August 19, 2004

CERTIFIED MAIL # 7003 2260 0005 6849 7014
RETURN RECEIPT REQUESTED

SIDNEY K. HULLINGER
PRESIDENT
MCFARLAND AND HULLINGER
PO BOX 238
TOOELE UT 84074

Dear Mr. Hullinger,

Thank you for coming into this office on August 12, 2004 and submitting a Plan of Operations (Plan) for the Coyote Knolls silver mine. I have reviewed the Plan, and have found the following deficiencies:

§ 3809.401(1)-You must supply your taxpayer ID number. Please submit this on a separate document so that we can keep it in a secure location away from the public case file.

§ 3809.401(2)(i)-The map you supplied does not indicate the access route to the mine.

§ 3809.401(2)(iv)-You must supply information about rock characterization; i. e., is there a potential for acid drainage?

§ 3809.401(3)-There is no reclamation plan. I understand that you intend to mine in an open pit fashion until it becomes more economically feasible to go underground, but in the interim, in order to submit a complete Plan of Operations, you should submit a reclamation plan for the operation you are currently proposing. You can amend the Plan later as your intent to mine underground becomes more defined. Your plan states that "after completion of open pit, and underground mine plan will be submitted". I suggest that, since your

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underground mine plan will take at least 30 days to approve, that you submit the amendment well in advance of completion of the open pit mine.

The reclamation plan should include a description of:

1. Re-grading and reshaping, including information on the feasibility of backfilling the pit.
2. Topsoil handling and re-vegetation.

If you have any questions, please feel free to contact me at (435) 743-3125.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry W. Mansfield".

Jerry Mansfield
Geologist

cc: ⁰⁸⁶ Tom Munson, UDOGM (S/023/033)
Brandon Steele, 1055 N 400 E, Nephi, UT 84648
Darrell Steele, 1055 N 400 E., Nephi, UT 84648